BIOGRAPHICAL SUMMARY: John J. Hulten

John J. Hulten was born November 2, 1913, in San Francisco, California. He was educated at San Francisco High School and the University of San Francisco.

Hulten worked as a loan clerk at the San Francisco Bank, 1929 to 1945; a tax advisor for the U.S. Public Housing Administration, 1945 to 1947; the chief appraiser for the Veterans Administration in Honolulu, 1948 to 1951; and an appraiser for John Child & Company, 1951 to 1957. In 1958 he became a self-employed consultant and appraiser.

Hulten was elected as a Democrat to the state senate in 1962. He served through the 1970s.

Tape Nos. 17-34-1-89 and 17-35-1-89

ORAL HISTORY INTERVIEW

with

John Hulten (JH)

November 15, 1989

Honolulu, O'ahu

BY: Michi Kodama-Nishimoto (MK) and Daniel W. Tuttle, Jr. (DT)

Joy Chong: The following is an interview with John Hulten, H-U-L-T-E-N. It took place on November 15, 1989 at KHET studios, and the interview was conducted by Michiko Kodama-Nishimoto and Dan Tuttle. This is videotape number one.

DT: We're sitting here with Senator John Hulten, otherwise known as Mr. Ferry, but his career amounted to much more than just an inter-island ferry. We'll get to the ferry boat in a few moments. John, you might start things off by telling us where you were born and when, and all those . . .

JH: Okay.

DT: . . . vital statistics.

(Laughter)

JH: Well, I was born a long time ago on November the 2nd, 1913 in San Francisco.

DT: And no earthquake at that time?

JH: No.

(Chuckles)

JH: I was in between earthquakes.

DT: In between earthquakes. (Chuckles) So you grew up there, did you?

JH: Yes, I was raised in San Francisco and stayed there until 1948. And 1948 is when I came over to the Islands and I have been here ever since. But do you want to know why I did this?

DT: Well, maybe you might tell us first, did you go to private school or public school or . . .

JH: I went to public, they call it grade school, I guess, in those days, from first to eighth grade, it

was a public school. And then high school was a kind of a hybrid situation. I went for two years to a private high school called St. Ignatius High School in San Francisco. It was a Jesuit school. And then I went to work. And so I finished my high school in the evening, Evening High School of Commerce. Got my diploma there and then went on to the University of San Francisco, evening division. And I took a two year pre-legal course there. I never did finish.

DT: Life was pretty tough in those days, wasn't it? Seems to be that we had something called the Great Depression . . .

JH: That's correct.

DT: . . . which hit about the time you were just about college age.

JH: Yes, I went to work at an early age. I was working at sixteen years of age. I was working for the San Francisco Bank which was why my (education) was (pursued) at (evening) school. And you're correct. I mean, this was the heart of the depression, those days. And we were fortunate, our family was fortunate in that we were not—we were one of the few families in the neighborhood that did not get welfare baskets. We were able to keep things going to the extent that we didn't have to go on to live with the welfare baskets. But pretty nearly everybody who was in that neighborhood was dependent upon the government supplying them with food. So it was pretty drastic times.

MK: What kind of neighborhood did you grow up in, and what kind of work were your parents doing?

JH: Well, the neighborhood that I grew up in was right near—how should I put it—the University of California Medical School in San Francisco, which is by Sutro Forest, the central part of the city, really. We grew up there. And it was about two blocks above the old Kezar Stadium if people know where that is. By the beginning of Golden Gate Park.

And my parents, my dad was a tailor. And my mother was a seamstress. And so they met since they were in the same line of work, (and the work brought) them together. My dad's [father], my grandfather was also a tailor before him. In those days, you more or less followed in your parents' profession or business or whatever it was.

MK: And how large a family were your parents supporting back then?

JH: Well, there were three of us, three boys they were supporting.

MK: And you mentioned that you started working at an early age at San Francisco Bank.

JH: Yes.

MK: What kind of work were you doing back then?

JH: Well, originally, of course, I was a messenger boy. And got into the real estate end of things because this bank was a savings bank. It was the largest savings bank, (as) they used to say, west of the Mississippi. And most of its assets were in real estate loans, as opposed to commercial banking where most of their assets are in commercial loans. Our bank was the

first bank in the west to convert to federal, FHA [Federal Housing Administration] loans. When they first started up the FHA in the early [19]30s, that was to try and help to cure the depression, to start things going, President [Franklin Delano] Roosevelt's deal. We converted our loans from conventional loans to FHA loans to get the program rolling. And I got involved in that part of the banking business and the real estates loans and so forth, back in those days. I was with that bank for sixteen years, and then left the bank just before the end of the war in 1945, left the bank, and went to work for the federal Public Housing Administration.

DT: Bankers are often Republicans, but I suspect that maybe the New Deal had something to do with the fact you ended up as a Democrat, at least when you came to Hawai'i?

JH: Oh, yes. We were Democrats from the word, "Go." I mean, my parents were Democrats, and we (had) solid Democratic tradition behind us.

DT: Had you participated in politics while a student?

JH: No, the only politics I participated in was when they needed a polling booth one time in our district, and we supplied the garage for the polling booth. But I wasn't active in politics till I came to the Islands.

MK: Were your parents active in community politics?

JH: No, no. But the need for me getting involved in politics was when I came down here and saw the situation that existed, and we can talk about that later if you want [to know] about why I got into politics.

MK: You mentioned that you worked for the Public Housing Administration.

JH: Yes.

MK: How long did you do that, and what did you do?

JH: I was a tax advisor, they called the job that I had tax advisor. And what it was, during the war [World War II] years, the government had to provide a lot of housing for war workers where the big industries were located like in the San Francisco Bay area, the shipping and so forth, and [Henry J.] Kaiser was building his warships there. And in the mining areas in the west, the coal mines and iron mines and things like that. They had to provide housing for these people. And it caused a great disruption, of course, (chuckles) in local government and everything else to bring in these hordes of people and house them there. And the federal government does not pay real estate taxes, so that this was a big burden on the local governments to provide.

So they passed legislation that required the federal government to make payments in lieu of taxes for the services that were provided by the local governments, fire protection, police protection, garbage pickup or whatever it might be. And my job, as tax advisor, was to figure out what the in lieu payments should be in these different areas. This was the western states. So I had to go through all of the communities in the western states and see what their assessment policies were, what their tax rates were for various things, their rate for schools

and rate for police and fire, and so forth, and then come up and say this is what we felt should be the in lieu payment. And that was what my function was in those days. And I worked with them from 1948—no, I take that back. From 1945 to 1948. Then they consolidated the two offices, the two western regional offices, Seattle office and San Francisco office. And this was after the war, you see, they were closing down. And the tax advisor job, then, went to the Seattle office.

So in the meantime, a job opened up with the Veterans' Administration for a chief appraiser for the territory of Hawai'i. And I applied for and obtained that job. That brought me to the Islands in January 1948.

DT: You continued on that job for about three years. Did you get involved in politics right away, or did that develop a little bit later?

JH: Yeah, well, I got interested in the political situation about then, but I couldn't get active because of the Hatch Act. Being a federal employee, I couldn't get involved in any sort of, you know, substantial, substantive political activity. But in 1951, I left the government and went into private practice as an appraiser, and then I got active in politics. And the reason that I was so concerned about it was when I got down here, I found out that most of the housing was on leased land in those days. And at the end of the lease term, the building reverted to the landowner. And if you wanted to renew the lease, you had to buy the house back from the landowner. And that was one of the things that, to me, was you know, anachronistic. It's like a feudal system where they—because whoever owns the land controls the economy and controls everything in the area. That's the power, to own the land.

So that bothered me, and then the other thing that bothered me was when I saw the tax structure that they had down here. Real property taxes, for instance, was controlled by the state. And there was a ceiling set on how much could be raised from real property taxes. It was a set ceiling $8 million period. No matter what, that was the ceiling. And the assessment policies were such that the big landowners were getting away with murder because under the law then, they could put their land in forest reserve, their thousands and thousands of acres that they weren't doing anything with, put it in a thing called forest reserve and get tax exempt. Then when they decided that it was time to use this land, the land became ripe, they could just take it out and use it. Not pay any back tax or anything like that. And what happened, of course, is when the big landowners took it out, it went to a developer. Naturally, that's why they took it out. And so the developer had to pay the tax when it came out, so they were getting away scot-free on this.

And the other thing was that there was no graduated income tax. The tax was a flat 2 percent tax on everybody on (their income), you know. (Chuckles) I just did—that really got me shook up, and I thought, gee whiz, maybe I should say something about this (chuckles) or do something about it, and (so) got involved with the Democratic party and their program.

DT: Yes, I recall you got involved, really, with a vengeance, didn't you? You jumped right in, and . . .

JH: Yes.

DT: My memory fails me, but it seemed to me I first got acquainted with you in '52 Democratic

convention at the McKinley [High School] auditorium, and that was followed up with the better known, I suppose, convention of '54.

JH: Fifty-four.

DT: Do you recall anything about the development of that platform?

JH: Well, it's pretty difficult to recoup at all, but I do know that the number one, was the tax, at that time, we were going to reform the tax structure. And that was in the platform to get to a graduated income tax and do away with this flat 2 percent tax. And the other thing, again, with taxes, was to convert the real property tax system so that the $8 million ceiling could be removed and the privilege of being able to, so-called, icebox the lands by the big landowners would be eliminated so that the taxes would be charged. It might be charged on an agricultural basis, but there would be no such a thing as a free ride.

DT: And housing and education, do those ring a bell?

JH: And education, oh yes. Education was. I know one of the things we were working on there in the primary education area, for primary and secondary, below the collegiate level, was to try and equalize the schools. In other words, the schools in the suburban or country areas, outlying areas, were not getting the same kind of representation and support as the schools in the more affluent areas. I think they had already done away with the English-standard school system at that time, so that nominally, they were all supposed to be the same kind of educational program. But there was still inequities, and we were trying to assure that there would be equal educational opportunities amongst, and equal education amongst the whole state or territory, in those days. So that was a big thing. And the University of Hawai'i was something that—it was basically an agricultural college, and we were trying to make sure that it would develop into a full-fledged university. And I believe those were parts of the platform.

DT: The names Bob Dodge and Bob Clopton mean anything to you, for example?

JH: Yes. (Chuckles) Yes, they sure do. Bob Dodge was more or less on the platform committee, the program committee of the Democratic party. And Bob Clopton served on the committee. Bob Clopton was a professor at the university, and very gung ho on education. And also Tom Gill was very active in there. And Vincent Esposito. Those names come to mind as active people on the committee. And even back in those days, we were doing some long-range thinking insofar as land use, land planning, and things of that nature were concerned, too. I think more of that came to the front in the 1954, probably 1954 party.

DT: In '54, you had started to think more in terms of, maybe there was a chance at winning. In '52, . . .

JH: That's right.

DT: . . . you were pretty much concerned with putting the party back together again. You had the Fasi and Burns factions that were, were sort of pulling together, you recall that when Frank Fasi . . .

JH: Oh, yes.

DT: . . . becomes a Democratic national committeeman and Jack Burns ends up as a state [territorial] chairman.

JH: Yes. I recall that. And Fasi walked out of the convention, the state and local convention here [in 1950], and caused quite a bit of friction, and breakup within the party at that time. But that, you're right, I mean, in '52, we were trying to get ourselves back into shape. [Nineteen] fifty-four, we felt we had a chance to get it. And we did actually get it.

MK: You know, being a relative *malihini* back then, who were the men who kind of gave you an entree into the Democratic party?

JH: The men that gave me an entree were Vince Esposito and Tom Gill. They're the ones that encouraged me, well, how shall I say it, and Bob Dodge also. I have to bring Bob Dodge in there. And they were trying, I guess, trying to get an organization in the precinct where I was, and they got me interested in running and serving as a precinct president or something in the precinct in those days. And got started in that way. And then they knew of my background, of course, in tax, especially in taxes with the tax advisor business, and my banking background in real estate. So they encouraged me to get into their policy-making boards there, you know, thinking boards for the party platforms and things of that nature. And get to serving in that way.

And then at that time, I belonged to an organization, it was called the Christian Family Movement, the Christian Family Movement. And so, they had a different program each year that you'd have to try and follow along with them. One of the programs that came just about at this time was politics, and how, you know, if you were so qualified and thought you could do it, you had an obligation to get involved in politics. You shouldn't sit back and just let it drift. It was interesting because that group said, "Look, why don't you go ahead and do something? Run or something. We'll back you."

And I was working with Tom Gill and Vince Esposito on the platform business, and they said, "Yeah, we need somebody to run," from the—I think it was the fifteenth district, or something, in Mānoa, in those days. "And why don't you run? We'll get the support from the party, get the party behind you, and you've got your group there that's behind you, you got a pretty good chance."

MK: Can we stop here?

DT: Fine.

MK: And we'll continue on the next tape.

JH: Yeah.

(Taping stops, then resumes)

JC: The following is a continuation of the interview with John Hulten. This is number, videotape number two.

DT: This is tape number two with Senator John Hulten. We're almost ready to have you run for public office, Senator, but as I recall, you did a lot of speaking on behalf of the Democratic party, let's say from '54 through '56 and appeared in a lot of party rallies. You might like to reflect upon those party rallies and your role as a speaker for the Democratic party.

JH: Yes, well, I did when I first got active in the party after I'd left the federal government and got into the policy-making, you might say, or platform writing and so forth. Because of my background in the Mainland on real estate loans and real estate and things of that nature, and the taxes, the party would use me to give a talk, to talk on the problems that there were here and compare it to my knowledge of what the things had been on the Mainland and what they could be like here. And so I'd go out and talk on various Democratic rallies and so forth on the program, on the platform, and why they need to change the tax situation, and why they need to change the land situation, and things of that nature. And I did quite a bit of that. And then also, Bill Vanatta, I don't know if you folks remember Bill Vanatta. Bill Vanatta used to be the chief engineer, I think, in the city, decided to run for mayor. This was back in . . .

DT: [Nineteen] fifty-six, I believe.

JH: Was it '56? Yes. And Bill and his committee got a hold of me and asked if I would work on his committee on his behalf. And I agreed to and did a lot of speaking for Bill in his campaign. So that also got the people aware of me, at least the Democratic people aware of me, and what my expertise was, what areas I had knowledge in, and so forth, which also, you know, added to the fact that I was being called to make these various talks and things with people.

DT: Somewhere along the line in that period of time, those who were in your audience began to hear a little bit at first, and then more and more about an inter-island ferry system. (Chuckles)

JH: Yes. Yes, a big piece of my life went into that inter-island ferry system. That started also, I think, around 1956. I made the acquaintance of some people in the seafarers union here, seaman's union. You know that the Democratic party and the unions were pretty well, pretty closely knit, in those days, and I got to meet some of these people and talk with them. And from that, the idea developed as to why not a ferry system between the islands. I had come from San Francisco, and I knew the old bay ferry system. The ferry boats used to run back and forth across the bay before they built the bridges. And also was aware of the ferry system in the state of Washington, they had a very effective ferry system, their boat and passenger, I mean, car and passenger system. And also Alaska had recently put in a ferry system.

And my reasoning was that if we had been connected by land instead of separated by water, for instance, the Big Island and O'ahu were one land mass, we'd have long ago built a road from Honolulu to Hilo and so forth. But merely because we're separated by water, we just sat back and said there's nothing we can do about this. And I said, take example from Alaska or from these other places, certainly there is something you can do, and it's an obligation on the part of the state or the government to do that, just as it's an obligation for the government to build a road to connect cities and things. This is no more than an extension of a road, it would be like a bridge. And it's an obligation of government to do that because government, in fact, the federal highway system was developed because the federal government recognized that it was an obligation on the part of government to provide transportation access to sources of employment, access to your commodities and goods, and that's what this is and the state

should do it.

So I really got working on that, and with these people from the union, and their knowledge. And then I got together with a man from Seattle who had designed the system for the Seattle area and also had designed the Blackball system for Alaska, and got him down. And we really went into this in great depth, and we designed a ship that would be suitable for these waters that would carry on it 4[00] or 500 people and say, 150 cars and trucks, and it was ocean-going, and it was fin-stabilized and everything else. And it could have been gotten in those days for about $6 million for one ship.

DT: And you had hoped, I think, for more help from the federal government because this time, Mainland-wise, they were building interstate highway systems, right?

JH: Yes. And I got the help from the federal government. Went to the maritime administration and they came out and they studied the system, they studied our vessel that we had designed, and they agreed to finance 80 percent of the cost of this. So all that the state needed to do was to put up 20 percent of this. But the politics were too tough. People here that just didn't want it, you know, with the barge system, they were not interested at all in seeing something like this come about. Aloha Airlines was very up in arms (DT chuckles) about seeing anything like this come along. Hawaiian Airlines, I have to say, I talked to Jack Magoon, and he said he'd be very happy to see something like this and that they could work out a fly one-way and go by ship the other way situation. But, nevertheless, it was, just couldn't be gotten.

The furthest I got it was in the 1963 legislature, I think we got a bill in there, but I had to say that it would be financed by revenue bonds rather than general obligation bonds because the governor, (the administration), they wouldn't buy the idea of the public, the general obligation bonds [being used] like you use for highway or (capital improvements). They said it had to pay for itself, in other words. And of course, we passed a law, but then we couldn't find any financial organization, any of the big brokerage houses, that would underwrite the sale of these bonds. They said we'd have to see it operate first and get a track record before we can sell revenue bonds. So the thing just didn't fly.

DT: Your interest in the ferry, however, led you to another stage in your career, I think you started running for public office, didn't you?

JH: Yes, that's right. And the way I got involved in that was, as I started to say at the end of that first tape, was that I had been approached by Vince Esposito and Tom Gill to run from the fifteenth district. And so I did, and at that time, I was going to run from the fifteenth for the house of representatives. But at a half hour before midnight on the night of the closing of the filing for nomination, the party people came to me, I guess Bill Richardson and some of the key people in the Democratic party said, "We've got a problem. Dan Inouye is running for reelection from the fourth district," I guess it was the fourth district in those days on O'ahu, and there's two seats. "There's two seats, but there's only one Democrat running, and that's Dan, and we're afraid that if he runs with a vacant seat that we're going to lose the election. And so we need somebody to fill the seat." And so I agreed to run with Dan. And, against Hebden Porteus. And that was my entree into elected politics.

DT: It's very interesting. I think it illustrates something, perhaps, about your career. You've been pretty much of an Esposito-Gill person in terms of factionalism in the Democratic party, yet

you were willing to run for a different office than you had anticipated in order to help a Burns' supporter, and certainly Dan Inouye was that.

JH: Well, that's true. I've been a kind of an independent person, I mean, I've never been a factional person. I've always tried to avoid that, and try and get the factions together. Because, you know, a house divided against itself never gets very far. And I've always felt that when—I've always felt that I don't want to align myself so solidly to one group or one faction that I'm committed. I don't believe you should commit yourself to that extent.

MK: Going back to that '58 election, since the Democratic party asked you to run in that race, how much support did you get from the party in terms of your campaigning?

JH: I must say I did. I got good support, very good support from the party. Dan worked very hard with me, I mean, we both worked very hard together, and the party supported us. And I came surprisingly close because, being an unknown, you know, as far as island-wide people are concerned, I came within a thousand votes of beating Hebden Porteus, so I did get good support from the party. And I got good support from the party afterwards in subsequent elections, otherwise I never would have got elected.

MK: And also, at about that time, you're working as a consultant to the city and county, to the mayor, working on an analysis of the assessment policies at that time?

JH: Yes. I guess that was a little before I ran. I think it was a little before I ran for office, that's correct. The mayor, the board of supervisors then, and Mayor [Neal] Blaisdell, jointly asked me to make a study of the assessment policies that were being [made] by the state [JH meant to say territory]. And of course, in those days the city was relying, was dependent upon the state's [i.e., territory's] assessments to get their real property taxes. And I had already done, made some noise in my talking around about the situation that there was something wrong with the assessment procedures, the way they were going on here, now the big landowners were getting off with no tax, no assessments and so forth. So they asked me to make a study, an in-depth study of the assessment situation, and I did that for them. And I came out with a report, and the report, of course, showed what we had been saying all along, and that is that, I think, 90 percent of the taxes were paid by 10 percent of the people on the land. And the big landowners were paying practically nothing. And I brought out the Campbell [Estate] lands up at 'Ewa which were assessed, I think, at that time for ten dollars an acre. And Campbell had sold, just recently, at that time, sold to Standard Oil, 100 acres or whatever it was up there for their refinery, I forget what, at $10,000 an acre. And I showed, you know, the assessment was supposed to be, in those days, I think, 60 percent of the actual value of the property. That's what the assessment was supposed to reflect.

DT: Ultimately, these assessments got changed, didn't they?

JH: Yes, they did. (Chuckles) They did, but there was a big fuss about that. There were people that were trying to get me out of the island in those days. They didn't like that at all. And I know that they wrote back to my professional organization and tried to get me disqualified or, you know, saying that I had done something unethical or unprofessional on this. And they wrote *Barron's,* I think, somehow or another *Barron's* got a hold of this thing. And *Barron's* got a hold of the report I wrote, and they wrote back, and they said, "Look, we can't find anything wrong with this report at all," you know. And kind of scolded the people for

criticizing the report, but times (got) pretty rough there for a little while.

DT: That made it pretty tough on you because as you were running in '58, and I think then again in '59, you were sort of a self-employed appraiser, so you depended upon having a good public image.

JH: Oh, that's right. That's right.

DT: So business was probably a little bit slow in those days, wasn't it?

JH: Yes, it was.

(Laughter)

JH: Yes, it was.

MK: What kind of political repercussions did that report have? Did the Republicans then use that in the campaigns against you?

JH: No. It was the other way around. The Democrats used it to show that (chuckles) they were on the right track all along, that something had to be done here. And in fact, in 1958, yes, 1958, I guess it was, after the elections, you know, the party has a get-together for all the officials and people who were elected and so forth, pull everybody together, and I was at that thing. And Bill Richardson got up at that time, to thank me. He said, "You didn't get elected, but the party got elected on your platform." (Chuckles) So that tax and land reform really set the thing afire. And that's what got the party in in 1959, '58.

DT: Of course, all of this while, another big factor was coming into the picture here in Hawai'i, statehood, which had always been just around the corner, suddenly appeared around the corner and came.

JH: Yes.

DT: So you ran again in the statehood elections, did you not?

JH: I ran in the statehood elections, '59, yes, again from the same district, the fourth district with, I can't remember all of them, now, but Anna Kahanamoku was there, and I think Sparky Matsunaga was running at that time, in that area. Yes, and again, I didn't quite make it.

DT: This was a tough election because it sort of—the anticipated Democratic big victory in '59 didn't actually come, did it?

JH: No, it didn't. Let's see. I think that's, was it Bill Quinn got elected that time for governor? Republican governor, so that the anticipated big swing didn't, although the legislature was Democratic.

DT: Except for the senate.

JH: Except for the senate, that's correct. Yeah.

MK: And then after the '59 elections, what did you do in politics?

JH: Well, (chuckles) we kept on, I kept working with the Democratic party on the programs and so forth. And there, at that time, I think we had, the ferry system was a part of the Democratic platform. And of course, the land reform was a part, big part of the Democratic platform. We had to reform that. So then, again, I ran in '61. Now in '61 . . .

DT: No, it would have to be '60 or '62. Yeah, '62. No, '62. Must have been '62.

JH: [Nineteen] sixty-two?

DT: Yeah, '62.

JH: [Nineteen] sixty-two. Yeah, I take it back, '62. That was from the fifth district. I had moved from my residence in Mānoa over to Windward O'ahu, Enchanted Lake, in '62 I moved, yeah. [Nineteen] sixty-one, I moved, and then in '62, I ran from that windward side, which actually, in those days, the fifth district was everything except Honolulu proper. It was seven-eights of the island. And that time, I did get elected.

DT: And there were a lot of Democrats celebrating that . . .

JH: That year . . .

DT: . . . because that's the time of your big victory, in '62.

JH: That was a big victory, yes, yes.

MK: What made the difference that time, that led to your successful candidacy?

JH: Well, I think that perhaps the windward side, that is, I say the windward side, but the seven-eighths of the island, the rural O'ahu was more Democratic than the town of Honolulu itself, which was from, you might say, what, from Moanalua, out to Hawai'i Kai. Just the central part of—that was more Republican-oriented.

DT: Now you also had the advantage, did you not, you were a *Haole,* running in the fifth district, so you had the Democratic tide of, say, the Kalihi area in the Honolulu side. And the windward side was more oriented toward a *Haole* population, right?

JH: That's right, that's right.

DT: Which probably helped you there, too.

JH: Yes. And I did have a lot of help from the Japanese people. They were tremendous. They really, you know, I had great support from them, and I don't know how it came about, but they really went all out for me.

DT: And probably Mayor [John H.] Wilson's old strength over in Kāne'ohe.

JH: Mayor Wilson, that's correct. I used to serve on his committee on rent control. Mayor

Wilson. I was . . .

DT: Oh, back. Way back earlier.

JH: Way back, yeah, way back earlier, he selected.

DT: So you did have some ties with the Wilson contact.

JH: Yes.

DT: We're going to have to change tape again, but we'll pick it up and see what your reflections are upon your service in the state senate.

JH: Okay.

END OF SIDE ONE

SIDE TWO

JC: The following is continuation of the John Hulten interview. This is videotape number three.

DT: Videotape number three with Senator John Hulten. Senator, we'd just gotten you into the state senate. You won an election, I guess, on the third try. You had a lot of Democratic colleagues. What do you recall from those early years of service in the senate?

JH: Well, my recollection on the early years of the senate, I guess it holds true for the whole legislature. In those early years when we were just green, just coming in for the first time, you might say, we all worked together beautifully. I mean, there was no, there was really very little of personal aggrandizement that the people were looking for in those days. They were really looking to get a program, develop a program and put a program through that would be for the benefit of the Islands as a whole. So that things worked very well. We'd caucus and we'd have our program lined up for the year, and we'd all diligently work to get that program accomplished. They weren't pulling and going in different directions. I'll say that was the key thing that I remember so that you can pretty much pick up the Democratic party platform and go from there. And that's the way we were working.

DT: All except the Maryland Land Bill. Something happened to it. (Chuckles)

JH: Well, the Maryland Land Bill, of course, you must remember there was always some underlying friction, light friction in the legislature because we did have the so-called Burns faction and the so-called Gill faction or Esposito faction, and they didn't always see eye to eye, but. And the Maryland [Land] Bill was one of those. Now, I was—I mean, that was one of my key things, was land reform and the Maryland [Land] Bill. But, I don't think that the—and that was in the party platform—but I don't think that the Burns group bought it completely. And I don't know whether it was a philosophical difference on their part or whether it was just political pressures were such, because, you know, there's some big political pressures against land reform. The Bishop Estate was just absolutely, I mean they,

you know. They marched, they had Reverend [Abraham] Akaka lead a parade of Hawaiians around the ['Iolani] Palace. The old palace when we were going to vote on the bill back in 1962 or ['6]3, I think it was. And they really put up a fuss. And I think that there was a lot of political pressure on the Burns people so that they didn't go for it, and I think that was the trouble. We didn't get that passed until 1967. And then it wasn't called the Maryland [Land] Bill anymore. It was the Land Reform Act.

DT: But you did have a little more success with your ferry concept, did you not? At least up to a point.

JH: Yes, I did. Up to a point. (Chuckles) I got the powers that be in the governments here to agree to an inter-island ferry system under the concept that it's an extension of a road, the roadway system, and therefore, they should be responsible for it. Except that I could not get them to approve the system being financed by general obligation bonds which means the bonds are the responsibility, payback responsibility of the taxing power of the government. They would only approve the system if the bonds were revenue bonds, which means that the financing could only be repaid by the revenues received from the operation of the system itself. And unfortunately, we could not get that type of financing. None of the big brokerage houses would underwrite the issuance of these bonds because they said they had no track record, or no way to check on the thing. They weren't—we had financial feasibility studies made. The University of Hawai'i, with David Bess, and I forget some of the other people here, made studies for us which showed the feasibility of the system. But they wanted a track record. So, although we had the law on the books that established an inter-island ferry system, as a matter of fact, we couldn't get it because of the financing.

MK: How did the press and the public react to your ferry idea?

JH: The public reacted very favorably to it. I mean, they, as a whole, the public, the majority of the public were in favor of it. Very much in favor of it. Because what it did, would be, a substitute for the highway, they could take their car on the weekend and drive over to the neighbor islands and drive back again for a reasonable fee. I think we had a fee of ten dollars a car at that time, proposed.

MK: And in a related vein, I know that that time, you also proposed something called the Hawai'i Transit Authority. Can you tell us what that was all about?

JH: Well, again, it all came down to the same concept, the philosophical concept that the government has an obligation to provide free, if possible, not a charge-type of connection between the various cities and communities within the state. Just like the federal highway program was. In 1927, the federal aid highway program recognized the fact that government has an obligation to provide access between population centers and sources of distribution and sources of production. And that's all that this is. And that was the reason for it, and there's no reason why it should be not open and as free, or at least as inexpensive as possible for the public here, to tie our state together, instead of keeping always separate islands. And under that idea, I developed a concept of an interstate transit authority which would have to be a controlling agency for the transportation network between the different islands of the state. And that was the idea, that it should not be left to individual, private people to make a profit off of something like this. This is a necessary thing that should be provided for the public's welfare.

MK: How did the airlines react to this?

JH: Oh.

(Laughter)

JH: Predictably, they didn't like it at all. They didn't like it. So, the bill was introduced, but it never did, it never did fly.

(Chuckles)

DT: I think maybe we should sort of, before we follow through your career, because your stock had been growing in spite of these seeming defeats in the senate. But maybe as an aside, I think the ferry concept continued on until, what year? I know you were trying . . .

JH: Oh, yeah.

DT: . . . for private financing for this, until quite a bit later, perhaps even after you were out of the state senate. Is that correct?

JH: It went, well, just about, it went, I think, until 1975. I tried, after it was obvious that we weren't going to get anywhere with the government, I set up a private organization made up of these people from Seattle that I'd talked about, and people that had financed the Princess Cruise Lines in Seattle, and some people from New York who were interested in this. And then we got together with the Todd Shipyard, Todd Shipbuilding Company, who had agreed to construct the vessels. And Marriott who had agreed to serve the food and so forth on the vessels. And they all provided funds to help with the financing. Todd Shipyards, I think was a million dollars, and Marriott was a half-a-million dollars. And then we went to the federal government and went through the maritime administration, and they checked out the system, and they said it made good sense to them, and it looked feasible. And they agreed to underwrite the financing by furnishing 80 percent of the financing for the system. And so we thought we had a pretty good thing going here.

We needed, I think we needed about a million, another million dollars in cash money to raise, to match what had been offered by the shipyard and the others, and the 80 percent. So we went to a private, not a private, but we went to sell stock publicly. We set up an inter-island ferry corporation to sell stock publicly. And we wanted to sell it, I wanted to sell it like Aloha Airlines when they went into business first. I think they sold it for something like a dollar a share, something like that, you know, so that the people could come in and buy it. But the agents that were handling the sale of stocks, said they wouldn't handle anything unless it was a hundred dollars a share. They weren't going to be interested in selling dollar share stock and so forth. So that cut out people to begin with, I mean, you know, person who would put in ten dollars or fifty dollars or twenty-five dollars were cut out. It was only a hundred dollars or more. So that was one little obstacle.

And then the other was that the opposition grew, and the interests here that were not interested in the ferry system, put pressure on the people they could influence to not buy the stock, to not get into it, not having to do with it. So we raised about $900,000. We needed the million. We raised $900,000. And since we couldn't get the further extension or anything,

we gave back the money then, and quit that. But we came awfully close, and we had the federal government's guarantee. They thought it was a feasible system. But the pressures that were against it were pretty powerful.

DT: Obviously, it takes a long time for an idea like this to catch on. I think it's only fair to say that as of the present moment, I guess there is a ferry system of sort, operating between the islands. It may not be according to your specifications, but it looks like it may well develop from this point forward.

JH: There is, and there's a system that's going to be put in operation now, that's going to be a commute system that they're working on. And for a while, after our system, they came in with these hydrofoils. Of course, we knew that hydrofoils wouldn't work. And of course, we were proved right on that. They just, it wasn't the type of system that was needed here at all. And they developed that mostly to take care of like tourists, and things. My system was to take care of the local people, not the tourists. Not to make money off tourists.

DT: Well, needless to say, you developed a great sense of humor because you were the butt of all sorts of jokes about the ferry system, as I remember it. (JH chuckles.) And you always came out of it smiling. You didn't seem to take any of it personally.

JH: No, no, no. No. Well, it's just, it's just life. I mean, that's all. You do the best you can and that's it.

DT: I mentioned that your stock had been growing in the legislature, I think after only four years service in the legislature, you got elected president of the senate.

JH: Yes, I did. And of course, the reason that I did is, there was a faction in the senate, at that time (that) had developed, and neither faction had the votes to control the senate to select the president. And I think it was between Senator [Nadao] Yoshinaga and Senator [Nelson] Doi, I believe, were the two that were having the struggle as to who was going to take over. And, so I was, apparently, became the (chuckles) least objectionable to both sides. And I was selected to be the president at that time. And as I say, my job was to make these factions to kind of work together and get together, and I think we did a pretty good job of it.

MK: What sorts of wheeling and dealing occurred to get you into that position, if you can remember what happened back then?

JH: Well, it's yeah. I don't know, I wasn't on the inner circle, you see. I mean, the inner circle was doing the wheeling and dealing. I was more or less on the sidelines, and I don't know what they went along with. I know I remember sitting in on several caucuses with different sides, and they'd say, would you agree with this or would you accept that, and so forth, you know. Would you accept so-and-so as president? And I said, sure, I didn't have any objections to so-and-so as president. And they were testing and trying to find out, I guess, and they found out that, I guess, that I was the most malleable or, you know, I don't know how to put it, but the one that they could, each side could see to it that they could best handle or do with.

DT: Well, you been an independent of sorts, and this, apparently, was what the order of the day called for, that they needed somebody who was independent. Is that a fair statement, Senator?

JH: I would say so. Yes, I would say so.

DT: What do you remember about your years as senate president?

JH: Well, as president, my idea of leadership was to—whoever, you know, governs best, governs least. Or whoever governs least, governs best.

(Chuckles)

JH: But, I felt pretty much that these were all pretty responsible and sensible people that were in here. Now, getting aside from their emotional problem, factionalism problem. But other than that, they were, we had a pretty good group in the senate. And that I thought that the senate should be run by, number one, by the leadership committee, and that the committee chairmen should pretty much control the items that were assigned to their committees. They would be responsible for analyzing and studying 'em and recommending what should happen to them, instead of trying to sit on top, and try to be controlling everything that went on. So I did that, and we got along very well. I would say we got along very well. And I can remember somebody saying that Andy Anderson was, of course, a Republican in those days in the senate. And he was, he came from my district. And he was mad when they selected me as president. (Laughs) He jumped up and down. He didn't like that at all. But when he was through, afterwards, he said, well, he says, "I have to hand it to you fellows that I was surprised." So, they thought they were going to get run over roughshod, but they didn't, I mean.

The land reform was, of course, one of the key things at that time, and I was determined that we were going to get something through on that. So in 1967, we did pass the land reform act. And it took a lot of doing. It took the senate attorney, the attorney from the AG's office, the attorney-general's office, attorneys from Campbell Estate, Castle, and Bishop Estate. And they went back to Washington, took the whole caboodle back to Washington to talk to the IRS [Internal Revenue Service] people and the treasury department. Because the big hang-up on this, at least publicly, the big hang-up, mentioned by the landowners, was they would suffer horribly from income taxes if this reform act went through, and they were forced to sell their properties. We wanted to assure them that they would not suffer from that because this act, the way we had structured it, was that the property was going to be taken from them by condemnation. They weren't voluntarily selling it.

The whole concept behind the act was that the state would condemn the property under, quote, friendly condemnation. But under that concept, they would have two years in which to reinvest this money and not have to pay any taxes. And of course, the Bishop Estate, who is tax-exempt, a charitable organization, would not be subject to taxation in any event on this. Now, they wanted assurance. So we sent, packed up this whole group of attorneys and sent them back to Washington where they got this assurance, that yes, the way that the bill was structured, that would be the case. And on the strength of that then, we were able to get the votes in both houses of the legislature to pass it in 1967.

DT: The name Dennis O'Connor ring a bell from that period or not?

JH: Dennis, I think, was in the house at that time. Yes.

DT: He continued on . . .

JH: Oh, yes.

DT: . . . with that, that bill, I think, . . .

JH: He continued on.

DT: . . . generated his business a little bit too, I would suspect.

JH: Yes, that's right.

(Chuckles)

JH: And then Dennis, and then in 1975, the act was amended to make it more feasible, more easily workable. Yes. And then in 1967, also, what we did was, we, for the first time, I believe it was, we turned over the right to collective bargaining to the public employees. Prior to that time, they'd have to come to the legislature, hat in hand, to ask for anything if they needed (chuckles) anything.

DT: Well, that was a little bit later. I think that was 1970.

JH: Oh, '70.

DT: Right, when the collective bargaining—the constitution was amended in '68.

JH: [Nineteen] seventy, that's right, yeah.

DT: And '70, I believe it was, when the collective bargaining bill—I might like to ask you about that, and Senator Sakae Takahashi's role there, too, which I think was rather important at that particular time.

JH: Oh, yes.

DT: We do have to change tapes, so we'll continue this in just a moment.

(Taping stops, then resumes.)

JC: The following is a continuation of the John Hulten interview. This is videotape number four.

DT: All right, we're into tape number four now with Senator John Hulten, and I believe you have several questions for the Senator, Michiko.

MK: Right. Before we leave your presidency, I wanted to ask, you know, how successful do you think the Burns administration was in getting through its program through the legislature?

JH: By and large, I think they were quite successful in getting it through, yes. And I don't think there were very many difficulties.

MK: How did they achieve that?

JH: How did they achieve it?

MK: Mm hmm.

JH: Well, I think that basically they achieved it through Senator Yoshinaga as a contact. He was close to the Burns administration. And as I indicated, I was not tied to either faction, really. I was an independent. And I talked to the governor myself on occasion, and on most things, we agreed on. I mean, some things we didn't, but most of the substantial things we agreed on, but. We agreed on, for instance, the land reform. Now, he wasn't whole—he was not wholeheartedly in favor of land reform. I have to point that out. But that went through, in a sense, despite his. . . . He would rather have not had that go through. But we did get that through. But most of the other things that he was for were generally basically sound bits of legislation, and they went through.

MK: Why was Burns opposed to the land reform bill?

JH: Ah, I really don't know what it was. He said that he felt that it was an unwanted invasion in usurping property rights. People had these property rights. And I tried to argue with him that the more of a right that you own, the more of a responsibility goes with that right. And that these people weren't exercising the proper responsibilities, and that therefore, somebody should step in and do it. And I pointed out the homestead act of the United States and the doctrine of mortmain in England, I mean, where they broke up—the church had all the lands in those days—and they broke 'em up, and transformed them. I tried to show that there was a sound philosophical reason for this, that they didn't have uncontrollable rights, that the rights were subject to the public benefit, public use. And if you only own 20,000 square feet, yes, I mean, that's yours. But if you own, you know, 100,000 acres or 200,000 acres, and half the population's dependent upon you, you have some responsibilities there that you have to fulfill which they weren't fulfilling. And we argued about it and argued about it, but he just felt in his own mind or some way or another that this wasn't the way to go about it.

DT: In his own way, in spite of his ILWU connections which were well known, of course, over many years, Burns, as governor, turned out to be a lot more conservative than a lot of people imagined. Would you say that?

JH: That's correct.

DT: Or am I mistaken?

JH: No, that's correct. There again, he was a great one for getting factions together. That was his strong suit. You know, he got ILWU [International Longshoremen's and Warehousemen's Union] and Merchant Street working together. I mean, he got goals that would be, they could see the common benefit to them and things of that nature. He got them to work together pretty well.

DT: That may have been his most adroit political move, wouldn't you say?

JH: I would say so. (DT chuckles.) Yes, I would say so.

DT: I think you had a question about abortion, didn't you?

MK: Uh huh. You know, in '70, the abortion [issue] came up. And I know that you're a Catholic, and I'd like to know where you stood on that issue back then.

JH: Well, of course, I was firmly opposed to it. I got up and made a big speech on the floor of the senate when the bill was up for a vote. And my firm belief, and whether that has anything to do with religion or not, but number one, I think government exists to serve the welfare of the people. And number two, that it has a greater obligation to serve those who are least able to help themselves. Somebody's got to take care of them. Number three, that an unborn fetus is a human life. I firmly believe that. Now, maybe I, you know, people might say I'm nuts, that it isn't. But I believe that it's a living being and human, and that therefore, it's defenseless. And the government should step in and see that its life is protected, because that's the first thing that government stands for, is to protect life. So I was strongly opposed to, you know, unlimited abortion.

And I called the governor. The governor was a Catholic. And I argued with him for, I guess, an hour or more over the telephone saying why he should veto this bill. And he said, "Well, if I veto the bill, they might come back with a worse one."

And I said, "Well look then, that's not on your conscience if they come back with a worse one, and they pass a worse one, well, you didn't contribute to that, you couldn't help it." But no, he says—so he didn't sign the bill, but he let it become law.

But, and [Senator] Vince Yano who was a Catholic was supporting the bill in the senate. He was the spokesman for the bill, and that's one of the reasons I got up and gave my talk in the senate as to what I thought about this legislation, what it was, you know, how we were giving up our responsibility as government to protect a defenseless life and so forth, and that we should never do it. But it sneaked through, I guess, fifteen to nine, I think was the vote, I'm not sure. But it was passed, and we were the first state in the nation to come up with permissive abortion. And the rest of the nation followed us, so.

MK: Well, what are your feelings about that?

JH: Well, the way I feel about it, this is a very tough issue, really. It's an emotional issue, and women come into it in a big way. After all, it's a woman that we're talking about, not a man. And women's rights entered into the picture. I think that those people, there are unquestionably people who feel that the fetus is not human. It hasn't achieved human life. And you know, assuming that position, then their stand is correct. If you assume that it is not human life, then there's nothing wrong with abortion. So I can see, you know, this great group here, saying, look, "We women, we have rights. This is the way we feel about the thing." And if they, in their mind, believe that this is not a human being, and you know, I can see their wanting to go ahead and do it. The only thing I can't see is that government, who is supposed to protect life, can come out and say, "Go ahead, it's, you know, it's open season. You can do what you want." You know, and that's the thing that bothers me. As government, you're supposed to take a stand on a thing like that. And I know it's tough for a politician to come out and take a stand.

DT: Given these strong feelings, wouldn't you say, however, upon reflection, that perhaps, this

was an instance of where you had politicians who disagreed very fiercely, nevertheless, debated the issue very responsibly.

JH: Oh, yes. No question about that.

DT: Which, perhaps, indicated a degree of maturity, at that particular time, in our Hawai'i state legislature.

JH: Yeah.

DT: You're free to argue with me, now. You understand. (Chuckles)

JH: No, no, no. But that's true. I mean, that's true. There's no question about that. That's true.

DT: I think earlier, we mentioned collective bargaining. This came in 1970, and most of the unions didn't anticipate it happening. But, you were still in the senate, I believe, you weren't presiding officer, I think David McClung was the president of the senate . . .

JH: That's correct.

DT: . . . and when this came, but, I don't know, you weren't on the public employment committee at that time, were you?

JH: No.

DT: I think this was chaired by Senator Sakae Takahashi.

JH: That's correct.

DT: Do you have recollections of how this all came to happen?

JH: I really don't, except that I think that I know that the employees were in for a raise, a hefty raise, from the legislature at that time. And that the net result was no raise, but the granting of our collective bargaining. But what went on behind that, I don't know. I wasn't on the committee, and I don't know what Sakae's actions were there.

DT: Well, the door, of course, had been opened, as I think we mentioned earlier, by the constitutional amendment as a result of the con-con of '68, so that this was sort of a follow-up of that.

JH: Yes.

DT: I think you supported the collective bargaining, as I recall.

JH: Oh, yes. Yeah.

MK: You know Dan mentioned that McClung had become president.

JH: Yes.

MK: Now, what happened?

JH: (Chuckles) Well, as I said in the beginning here, I was the least objectionable to both factions. At that time McClung was, I guess, with the Doi group, and was a, more or less, a Gill type, as opposed to the Burns group. And part of the union group here supported the Gill, and McClung, I forget what just exactly, what was it, CIO, I guess.

DT: AFL-CIO [American Federation of Labor and Congress of Industrial Organizations].

JH: AFL-CIO were supporting that faction, and the ILWU was supporting the Burns faction. Well, in the interim while I was serving as president, they finally got—what's his name—McClung. They got McClung to come over, with AF of L, to come over and join up with the ILWU. And so when that occurred, why then, McClung was the—part of the deal was that he could become president of the senate if he could do this, if he could get the groups together. And that's what happened, so then he got to be the president of the senate in 1969.

MK: And he continued to be president till '73?

JH: [Nineteen] seventy-three, that's right. And then, let's see, John Ushijima, I think became the president after that. I can't remember now, what the switch was, what came, how the switch came about, but.

MK: You know, having been a president before, what was your assessment of McClung as senate president? Technique and achievements?

JH: Well, they're different from mine. (Chuckles) That way. He was kind of, you know, gotta run the show myself. And a little bit different philosophy and so forth. And I think that he made, probably, some of them unhappy. And that's probably why the switch came about in '73.

DT: You know, he ran into a problem, probably, after something about sauna baths, wasn't it, that helped to do in (JH chuckles) David McClung. Maybe you can give us some insight into . . .

MK: That's right.

DT: . . . the McClung sauna bath.

JH: Well, as I say, this is more—his style was to be the, you know, the number one. And when we were building the new legislative office building, the legislative building, the new building, he had this sauna baths designed to be installed there for the big boys, the power that be in the senate. And that got out, and it didn't get too warm a reception, so, we never did get the sauna baths in there. But that didn't help him any.

MK: You know, going back a little bit, I was reading some newspaper clips about you, and back in '70, well, back in '69, the reporter said that you were considering the lieutenant governor's race. Can you recall what was going through your mind and plans at that time?

JH: Ah, let's see, '69? And who, what was the governor's race?

MK: It was Burns, Gill and, at that time, you said you weren't aligned for either side, and there were polls coming out, and you were doing pretty well. You know, McClung was in the poll, [Walter] Heen was in the poll, and I was wondering, what was going on? What were your plans at that time?

JH: Well, I don't know. At that time, I thought that I might ultimately run for governor, and that this might be an opportunity to start, with the lieutenant governor's race. I think that was, vaguely, I know, that was briefly in my mind, that I would try to proceed to the governorship.

DT: Did Gill give you encouragement?

JH: Yes. Mm hmm.

MK: And what happened after that? Why didn't you follow through?

JH: Well, I guess because of the—I just didn't have the, being independent, I just didn't have the control of the party, which you would need, see. Burns had the party pretty well controlled. Tom Gill found that out, I mean, he tried his best, and Burns had solid control of the party, so that, unless you become a part of his team, you didn't have too much of a chance in those days. So I could see that, and I decided that the smart thing to do was not to get tangled up in it.

MK: So instead of seeking the lieutenant governor's office, you went again for the . . .

JH: I went back to the—yeah.

MK: Senate, okay. Umm . . .

JH: I didn't want to give up the independence, you might say, that I had. And I felt that if I stayed in the legislature, I could act independently and help form policy and things of that nature, which might be, in a sense, more effective than to be in a position of executive, where I would have not much say in policy, but would have to execute.

DT: At '72, you decided not to run or were you defeated? I've forgotten.

JH: Well, '72, no. It was '78. [Nineteen] seventy-eight, I was defeated.

DT: Oh, you continued to run until '78, then?

JH: Yeah, November '78. In that election, I was beat. And there was several problems involved in that. I ran on a short ticket, number one. My district, Democrats weren't filled. Number two, that was a bitter [Frank] Fasi fight. And many of my supporters were Fasi supporters, and they stayed home in the general election. They just didn't come after Fasi lost in the primary. So I lost all those votes. They would have been my votes, and I ran on a short ticket. So the handwriting was on the wall.

MK: So who got in that year?

JH: Mmm. The Republican, gosh.

DT: Mary George had been in there . . .

JH: No, no, Mary was in, no.

DT: . . . in the [senate] with you.

JH: Ralph Ajifu.

MK: Oh.

JH: Ralph Ajifu, he got in. One of my staunchest supporters, and I told you I had great support from the Japanese people, was a fellow by the name of Hirazumi, Yoshinori Hirazumi. And he was a peddler. But, you know, he went all over the place selling his goods, but also selling me. And he was just fabulous, that man, he was really, just something else. And he was so upset when we lost that election. He went out and he said (chuckles) he got after Ajifu. He said, "I'm going to get you."

(Laughter)

DT: But you didn't consider running after that, then . . .

JH: No.

DT: . . . after you lost in '78? You had been in office, then, for a total of about approximately sixteen years, is that . . .

JH: Right.

DT: . . . reasonable?

JH: That's correct.

DT: During that time, didn't you notice, or did you notice quite a change in the characteristics of the state legislature?

JH: During which time, now, you're talking about?

DT: Well, from—comparing 1978, with, let's say, 1962?

JH: Oh, yes. Yes. The whole complexion of the legislature had changed. They were no longer a close group like there were when we were in 1962, where we just worked together, the party platform was the important thing, and everybody worked towards that. By 1978, there were already splitting up, and I guess, people were trying to—each one working his own, his own objectives and his own goals.

And not only that, but when we had a breakup in representation, in other words, the senate was now single-member districts. The house was single-member districts. It destroyed

something, because nobody had an overall look of the state as a whole. In other words, to get elected, they had to satisfy a small constituency here. That, they had to do, you know. So, you forget the overall picture. If what your constituent, say, wants this, is inimical to the overall good, it makes no difference. You've got to get elected. So that it just, I think it was a big mistake to ever make single-member districts in the senate. And the United States Senate, I think, is a (shining) example of why you have to have two types of representation. You have to have the local representation, single-member districts for one house. But you have to have a territorial representation from the other house. Otherwise, you lose that overall concept. And I think that's hurt the legislature, and I think it's been a continuing problem since then.

DT: But quite a few of your colleagues also accepted administrative jobs. Maybe we can talk a little bit about this as we go on to the next tape.

END OF SIDE TWO

TAPE NO. 17-35-1-89; SIDE ONE

JC: This is a continuation of the John Hulten interview. This is the last tape. This is videotape number five.

DT: Okay.

JC: Anytime.

DT: This is tape number five with Senator John Hulten. And as we concluded the previous tape, I believe I had posed a question about many of your colleagues, or quite a number of them at any rate, just about the time you were leaving the senate, they had decided not to run also, but they had taken administrative jobs. Would you care to comment about that?

JH: Yes. I think maybe there should be some sort of restriction on that. Seems that the reason a lot of these people were doing this is because your retirement pay as an elected official was not very significant. I mean, it didn't amount [to] very much, being it was supposed to be a part-time job, after all. You're just—it was never supposed to be a livelihood to be a representative or a senator. But nevertheless, more and more people seem to be making a life's enterprise of elective office. And when it came time where they felt that they wanted to leave elective office in order to continue to receive an income that they could be comfortable with, and not have to worry about their future, would be to get a job with the government upon retiring from the legislature. Because the way the law is set up, is that you would get—your retirement would be based on the highest three years earnings. And of course, if you took a job as an head or an assistant head of the department, you would get, maybe, you know, $40[,000], $50,000 income, and then your pension would probably run up around 80 percent of that or some such thing when you retired. Whereas if you just left the legislature, your pension would probably be around 5[,000] or 6,000 or something like that, a year. And you would have to supplement that. In other words, you couldn't (chuckles) retire on that.

So, but, I don't think that's a proper thing to do. Although the legislators are fairly well educated, with respect to government, having been in the legislature, but that doesn't

necessarily mean they qualified for a lot of these positions that they go into. Therefore, the public suffers because they're there. They're the administrator of the program or whatever it is, but they're not the best qualified in all instances. And I do think that there should be some break or restriction in that. And the proper way to do it, is if you want to change your pension plan or your compensation for an elected official, do that. But, not this way that they do it. I don't think that it's really proper.

DT: Well, related to that, Senator, since you left the senate in '78, legislative salaries had been improved a great deal, have they not. Do you have any comment about that?

JH: Yes. Well, they have. (Chuckles) I don't know what they are right now, but I know they've been improved considerably. I think they were—when I was there, $10,000 a year, I think was for the last one that I . . .

DT: Somewhere in that vicinity, $10,[000] to $12,[000]. Around now, I think, they're scheduled to go to $32,[000], I believe, $32,5[00]. You approve or disapprove?

JH: Well, I approve. (Chuckles) You take the—let's see, that was what, 1978, 19—yeah, that was about twelve years ago. Well, with the cost of living and with the increases that are occurring and the devaluation of the dollar and everything, I would say that, probably, that's not too far out of line. Of course, there's still only, the problem is, they're still only part-time employees. (DT chuckles.) And that's—the thing that's bad, I think about this, is the fact that the legislature was originally supposed to be a citizens' body, that would get together once a year, or even once every two years, in some instances, for a period of time, to try and take care of policy-making situations that were necessary. And the trend has been, now, to make it a lifetime job. I mean, even in the United States legislature, you know, the Congress. I mean, gosh, they're in there twenty years, thirty years, and it's not really running the way it should run for the best benefit of the most people, I don't think. They become professional politicians, and they become more political than they are citizen representatives, anymore. And they're more beholden to groups that support them and see that they get elected, than they are to the general population. So, it could be that they should have some, maybe, legislation. Of course, it's hard to get legislators to legislate that kind of legislation.

(Laughter)

JH: It would limit them to, say, two terms in office or four terms in office or something like that.

DT: Even as we speak, I think Congress is now going to try to finally find a way to increase their salaries . . .

JH: Yes.

DT: . . . to something like $125,000, at least I heard that on the news report today. (Chuckles) Michiko, I believe you had some other questions.

MK: Yeah. I kind of want to go back to your last two terms in the senate. Just two things I want to ask you about. As someone who's trying to find an affordable home, now, I was really interested in your idea of the state land bank. What did you—what was that, and what did you intend?

JH: What I intended was, of course, to develop a supply of land. The land has always been the big problem here in the Islands. That was my land reform program. And it's still a problem. It's still the biggest problem to get land that can be developed for housing at a price that somebody can afford to pay. My idea of the land bank, and that was, you know, ten years or twelve years ago or so, more than that even maybe, was to authorize the state to go ahead and buy up land, in advance of its ripening for its development. Buy it while it was poor land, agricultural land. Pick it up and put it in a land bank, and then as the demand for housing came and demand for urbanization came, the land would be ready there, available, and bought at a reasonable price. And it could be developed and made into affordable housing.

And I worked on a bill, it was called the housing czar bill. And I think it became Act 105. Well, the governor bought the bill, except that he didn't buy the czar. Take away control. But my idea there, was to develop this land bank, and then to put somebody in charge of the housing situation. And give them carte blanche. Get somebody that was good, a successful developer. Somebody that really knew his business, to give him this job, and give him a fair salary. At that time, I said $50,000 a year or something, I think, and a bonus for every house that he turned out that was under a certain price. And you know, the lower the price, if he could go below that, the bonus would be bigger. But give him an incentive to go ahead and do this, and then develop this land. Get this land cheap enough, let him turn around and develop this stuff as it became needed at these prices.

Well, they bought the concept, they never did buy too much under the land bank, but they liked the idea, and they set it up, and they set up a housing, under the Hawai'i Housing Authority, gave them the authority to go ahead and bypass construction—zoning requirements and construction requirements and go ahead and develop the low-cost housing. And they did do some, they developed some, but the program kind of just petered out because they, number one, they didn't have anybody with the incentive to do it, and number two, they didn't get the land.

MK: So it just didn't make it then?

JH: So it just didn't make it.

MK: And then I know that in '74, when you were running for office, you were advocating more leasehold conversions, something that we associate with [Dennis] O'Connor.

JH: Yes.

MK: How active were you in that?

JH: Oh, I was, you know, very active all along in the land reform. I mean, that and the ferry system were my two pets. (DT chuckles.) So I was real active in 1974, and the revisions that were necessary. Because the problem with the act in 1967, was the way it was structured. And the only way we'd get it passed, we had to do this, was to—the large landowners said, "Look, we don't want to be left with the situation here where we own this lot, somebody else owns this lot," you know, like in Wai'alae-Kāhala or something. "Either take it all or take none of it, but don't leave it all salt and pepper." So the law that we passed in '67 said the state would buy the whole tract and then sell to those who wanted it and retain the rest.

Number one, as I said, Burns didn't like that bill. Number two, the cost to the state would have been horrendous to buy all this stuff, and they say only half the people wanted it or something. So there was only one tract that was underway. It was up in Mānoa when they were going to use this '67 law. But we realized that there had to be some changes made, and so that was the push [in] 1974 to knock out the fact that the state had to buy the whole tract. We changed it so the state would only pick up those for the ones that wanted to buy. And made it that way, and made it affordable.

And in the meantime, we came up with some bill of rights, the leaseholder's bill of rights, where, at the end of the lease, if you didn't buy at the end of the lease, the landowner would have to buy the house from you if you didn't want to renew the lease there, and things of that nature to get some protection to lessees. And we also set control on the amount they could increase the rents when they came up for renegotiation to a 4 percent of the owner's basis. So those are the things we did that—to make the thing much more effective. And I think we did. The big problem now is what to do for the condominium owner. They're having a terrible time there.

DT: Senator, we've kept you here quite a long time this afternoon. I just have one final question for you. You've been quite an idea person, especially for the Democratic party, and for the state as a whole. As you contemplate the future, you must have few ideas left in that fertile mind of yours. Have any final comments about the future for Hawai'i?

JH: Well, that's a pretty hard question to answer, the future for Hawai'i. The problem is, we don't seem to have anybody coming up, thinking of a future that everybody can get behind. In other words, you've got the people who say that the great thrust in the future is tourism, and that's the thing we're going to have to go to, that the sugar and pineapple are going to disappear. We have other people saying that, oh, the electronic age and technology, that's where our future is, and we've got to strive for that and develop in that area. But really, as an island state, with the limitations that come with an island state, it's very difficult.

And then we've got opposing, many opposing groups saying we don't want any more growth, we don't want any more development, we don't want, you know, we don't want the population to grow. And that's what's going to happen if you develop these things, if you develop these things. If you develop more tourism and technology and things, you're going to bring in more people and we don't want that. We can't stand it.

So to come out and say what is the policy for the future, I think we first have to get to a basic thing. Do we want growth, number one. Do we want growth? And number two, how are we going to feed the growth, sustain the growth, and at the same time, control it. Where should it grow, and once we find that out, we know what we have to do to make it grow in that direction and so forth. For instance, the neighbor islands can grow, but O'ahu's pretty well tied up. And that goes back to my ferry system. (DT chuckles.) You can open up other areas if you had some means of getting there, besides an airplane.

DT: You can still see a ferry in our future then?

JH: I still see a ferry in the future.

(Laughter)

DT: And what about sales of property to foreign owners. Not just Japan, but Great Britain or to Mainland people. In other words, this has been the trend in recent years.

JH: Well, I personally, I guess have to say that I'm kind of concerned about selling property, selling American property to foreign interests. For several reasons, I've always quoted the maxim, who controls the land, controls the economy. If you own the land, or if you own the things that are on the land, you control the whole thing. And not only that, but the income that is generated becomes an income to foreign people, not to the local people, not to the economy. I know people say, "Oh, we need this kind of capitalization, we need this money to come in to support what we're doing." But I think that's a shortsighted policy. I think that, you know, you're selling the, what is it, the opposite of the baby and the (bath)water, but I mean, what you're doing is getting this capital quickly, but you're losing in the long run. You're losing the control of the whole economy.

DT: By the same token, if you lose the control of the economy, would you stretch it one step further, would you lose control of the political scene?

JH: Well, the way our political structure is set up, you would because it's the people with the money that now are controlling who gets elected. You know. Unless they can do away with these PACs, political action committees, and stop these big entities from supporting elected officials, who controls the economy is going to control the political situation, too.

DT: Okay, any final thought?

JH: Well, it's been interesting trying to—reminiscing here, thinking back over some of these things that I've kind of forgotten about in the last few years.

DT: Well, it's been interesting for us.

JH: It's stimulating.

MK: Yeah.

JH: Very stimulating.

DT: It's been interesting for us, and we thank you very much indeed, Senator John Hulten.

JH: Thank you.

MK: Thank you for your time.

END OF INTERVIEW

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